

DOCUMENT RESUME

ED 388 764

CE 070 130

AUTHOR Walters, Jonathan
TITLE Paths to Performance: A Seven State Focus. State Challenge Grant Conferences on Strategies for Change.
INSTITUTION State Univ. of New York, Albany. Nelson A. Rockefeller Inst. of Government.
SPONS AGENCY Carnegie Corp. of New York, N.Y.; Florence and John Schumann Foundation, Montclair, NJ.; Ford Foundation, New York, N.Y.
REPORT NO ISBN-0-914341-42-1
PUB DATE 95
NOTE 52p.; Conducted for the National Commission on the State and Local Public Service.
PUB TYPE Reports - Research/Technical (143) -- Collected Works - Conference Proceedings (021)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Adult Education; Career Development; Career Education; *Change Strategies; Conferences; Educational Opportunities; Employment Practices; Financial Support; *Governmental Structure; Government Employees; *Government School Relationship; Health Promotion; Innovation; Partnerships in Education; Postsecondary Education; Secondary Education; State Federal Aid; *State Government; *Statewide Planning; Supervisory Methods; Vocational Education

IDENTIFIERS California; *High Performance Work Organizations; Illinois; Indiana; New Jersey; Oklahoma; Texas; Virginia

ABSTRACT

This document contains reports summarizing the highlights of seven state forums that were held in fall 1994, modeled after the 1993 national forum on "Hard Truths/Tough Choices: An Agenda for State and Local Reform." The following conferences are summarized: "Reinventing New Jersey: Innovative Approaches under Fiscal Pressure" (Princeton, New Jersey, October 12, 1994); "The Oklahoma Forum on High-Performance Government" (Edmond, Oklahoma, October 14 1994); "Creating a High-Performance Workforce in Virginia" (Richmond, Virginia, October 25, 1994); "Innovation at Work: Best Practices and Strategies for California State Managers and Supervisors" (Sacramento, California, November 14-15, 1994); "The Indiana Forum on High-Performance Government" (Indianapolis, Indiana, November 17-18, 1994); "Enhancing Career Development Opportunities for Illinois State Employees" (Bloomington, Illinois, December 7-8, 1994); and "Developing Texas State and Local Partnerships for the Public's Health" (Austin, Texas, December 12-13, 1994). All the reports include key points of discussion/debate and numerous examples of innovation in action. Seven needs were identified and discussed at all the conferences: give executives authority to act and hold them accountable for the results; give front-line workers more say in how they do their jobs and the training they need to perform; set aside labor-management conflicts and work together on solving problems; consolidate redundant government operations and eliminate outdated ones; allow public sector employers to exercise their judgment in accomplishing governmental goals; reform key "control" systems in government; and blunt/manage the media's broadly negative impact on government innovation efforts. (MN)

PATHS TO PERFORMANCE

A SEVEN STATE FOCUS

State Challenge Grant Conferences on Strategies for Change

A Report by

Jonathan Walters

for the National Commission
on the State and Local Public Service



U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

☒ This document has been reproduced as
received from the person or organization
originating it.

☐ Minor changes have been made to improve
reproduction quality.

• Points of view or opinions stated in this docu-
ment do not necessarily represent official
OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL
IN OTHER THAN PAPER COPY HAS BEEN
GRANTED BY

H. Cooper
TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)."

BEST COPY AVAILABLE

MEMBERS OF THE COMMISSION

William F. Winter, Chairman

Meg Armstrong

Reubin O'D. Askew

Mary Jo Bane

Barbara B. Blum

Walter D. Broadnax

Yvonne Brathwaite Burke

Karen S. Burstein

Henry G. Cisneros

John J. Dilulio, Jr.

Michael S. Dukakis

R. Scott Fosler

Robert Fulton

John Herbers

Elizabeth L. Hollander

Robert A. Kipp

L. Bruce Laingen

Ray Marshall

Ruth W. Massinga

William G. Milliken

Richard P. Nathan

Neal R. Peirce

Nelson W. Polsby

Michael B. Preston

Charles T. Royer

Lisbeth B. Schorr

Max Sherman

Eddie N. Williams

SPONSORS

The Commission acknowledges with gratitude the following foundations for providing financial assistance:

Carnegie Corporation of New York

The Ford Foundation

The Florence and John Schumann Foundation

The Commission is solely responsible for the content of this report.

STAFF AND ADVISORS

Frank J. Thompson, *Executive Director*

Miriam Tremontozzi, *Deputy Director*

Michael S. Sparer, *Senior Health Advisor*

Steven D. Gold, *Advisor*

Maria Augostini, *Project Assistant*

Michael Cooper, *Publication Advisor*

CONTENTS

Foreword	1
Introduction	3
Reinventing New Jersey: Innovative Approaches Under Fiscal Pressure	5
Princeton, New Jersey October 12, 1994	
The Oklahoma Forum on High-Performance Government	13
Edmond, Oklahoma October 14, 1994	
Creating a High-Performance Workforce in Virginia	19
Richmond, Virginia October 25, 1994	
Innovation at Work: Best Practices and Strategies for California State Managers and Supervisors	25
Sacramento, California November 14-15, 1994	
The Indiana Forum on High-Performance Government	33
Indianapolis, Indiana November 17-18, 1994	
Enhancing Career Development Opportunities for Illinois State Employees	39
Bloomington, Illinois December 7-8, 1994	
Developing Texas State and Local Partnerships for the Public's Health	45
Austin, Texas December 12-13, 1994	
Conclusion	49

©1995 by The Nelson A. Rockefeller Institute of Government
All rights reserved including the right of reproduction in whole or in part in any form.

Address inquiries to:
The Nelson A. Rockefeller Institute of Government
411 State Street, Albany, New York 12203-1003
(518) 443-5522/(518) 443-5788 (Fax)

Manufactured in the United States of America

ISBN: 0-914341-42-1

FOREWORD

Two years ago in June, the National Commission on the State and Local Public Service published its first report, *Hard Truths/Tough Choices: An Agenda for State and Local Reform*. My fellow Commission members and I had the privilege of presenting that report to President Bill Clinton at the White House. *Hard Truths/Tough Choices* is a concise compendium of suggestions for governmental reform and improvement aimed at rejuvenating state and local government performance and service. The report's recommendations were based on two years of research, including commissioned research papers, an ambitious schedule of field hearings and the broad collective wisdom and experience of the Commission members themselves.

The report makes 10 basic sets of recommendations on what state and local governments can do to improve performance, including: strengthening executive authority; consolidating or eliminating overlapping or underperforming units; allowing elected executives to present budgets whole, rather than piecemeal by committee; flattening bureaucracies by cutting mid-level managers; deregulating personnel, procurement and budget processes; creating a learning government by emphasizing — and funding — employee training and education; fully disclosing activities in lobbying and campaigning; limiting the political fund-raising season; and encouraging greater citizen participation in government. The 10th recommendation, presented in detail in a second report, addressed the health care cost crisis that is currently driving budgets upwards at all levels of government, federal, state and local.

Suggestions are one thing, however, and action quite another. It has too often been the fate of blue ribbon panel reports to be issued and then forgotten. It was the intent of the Commission from the start that the publication of its report be a beginning and not an end. In developing *Hard Truths/Tough Choices*, the Commission encountered many examples of people working both in and out of government who are trying to "fix what's broke." After the report was released, we wanted to build on those efforts to achieve high-performance government by sparking the kind of focused dialogue at the state and local levels that leads to action.

To help ensure continued dialogue and action on the recommendations made in *Hard Truths/Tough Choices*, the Commission obtained foundation support for a series of challenge grants for

state-level forums on the challenges and opportunities presented by the Commission report. These conferences were modeled on a national forum on *Hard Truths/Tough Choices* held in the fall of 1993 and cosponsored by *Governing* magazine and the Center for Excellence in Government, which brought together a wide variety of state and local officials to discuss the feasibility and value of the Commission's report.

The expectations of each of the state conferences were threefold: to provide a forum for the exchange of ideas, to help build networks in support of high-performance government, and to pave the way for continued state and local action in developing and promoting high-performance government.

Our expectations were well met. Leaders are clearly finding ways to be agents of change despite the obstacles to higher performance government.

To prepare a report on the conferences, we turned to a veteran observer of state and local government, Jonathan Walters, who is a senior staff writer for *Governing* magazine. He has lent us an important perspective in discussing many of the key themes that emerged from these forums. We hope his report will encourage other state and local leaders across the country to step back and consider how their systems and structures can be adapted to changing state responsibilities that would flow from the proposed "devolution" of federal programs. We at the state and local levels may have an unprecedented opportunity to direct our future courses, but we must be as prepared for that task as we possibly can.

William F. Winter
Chairman
National Commission on the
State and Local Public Service



Schuyler Photography/Joel Schuyler

INTRODUCTION

If any single sentiment informed all seven of the challenge grant conferences sponsored by the Winter Commission, it was the one expressed at the Illinois forum by Max Sherman, Commission member and Dean of the Lyndon B. Johnson School of Public Affairs at the University of Texas. "Somewhere we've got to recapture the ability to do things right the first time. We the voters and citizens are saying 'enough.' In making it difficult to steal the public's money, we have made it impossible to manage the public's money. In attempting to control everything, we became so obsessed with dictating how things should be done — regulating the process, controlling the inputs — that we have ignored the outcomes and results."

The seven forums were held in the fall of 1994, and brought together all interested parties in state and local government — from the executive branch to citizen activists, legislators to public sector labor unions, scholars to line managers, journalists to policy analysts — to look at ways the Commission's recommendations could be implemented.

This report covers the highlights of each conference, including key points of discussion and debate, along with many examples of innovation in action. While all the themes of *Hard Truths/Tough Choices* were discussed to some degree at all the conferences, each conference had its own emphasis. And through the seven conferences, consistent themes emerged that are worth highlighting, for they seem to have resonated with participants at each forum, and will no doubt ring very familiar for the thousands of state and local public officials nationally who are actively pushing their own governments toward higher performance:

- The need to give executives the authority to act, and then hold them accountable for results;
- The need to give front-line workers more say in how they do their jobs, and to give them the training they need to perform;
- The need for labor and management to set aside long-standing conflicts and work together on problem-solving;



Jon Randolph

"IN ATTEMPTING TO CONTROL EVERYTHING, WE BECAME SO OBSESSED WITH DICTATING HOW THINGS SHOULD BE DONE — REGULATING THE PROCESS, CONTROLLING THE INPUTS — THAT WE HAVE IGNORED THE OUTCOMES AND RESULTS."

DEAN MAX SHERMAN, LYNDON B. JOHNSON SCHOOL OF PUBLIC AFFAIRS

- The need to consolidate redundant government operations and to eliminate outdated ones;
- The need to break from a system of rigid rules and regulations to allow public sector employees — from the front line to the top ranks — to exercise their judgment in accomplishing governmental goals;
- The need to reform key “control” systems in government, civil service in particular;
- The need to blunt — or at least manage — the media’s broadly negative impact on government innovation efforts.

In the end, winnowing down applicants for awarding matching funds was difficult. Many excellent proposals were received. The seven that were ultimately chosen clearly reflect the healthy and active status of innovation across the country. And they certainly reflect the broad interest and widespread activity that the Winter Commission hoped to capture and encourage through its work and the publication of *Hard Truths, Tough Choices*.

The following, in chronological order, are the forum summaries.

Jonathan Walters

REINVENTING NEW JERSEY: INNOVATIVE APPROACHES UNDER FISCAL PRESSURE

PRINCETON, NEW JERSEY, OCTOBER 12, 1994

Although it has never had the sort of reputation for innovation that states like California, Minnesota or Oregon have, New Jersey has certainly had to wrestle with more than its fair share of serious public policy issues, from environmental degradation to urban blight to failing education systems. And most recently it has emerged as a testing ground of a promise that an increasing number of Republican governors have made: To cut taxes and balance budgets without a significant deterioration of services. In order to fulfill that promise, Governor Christine Todd Whitman has made government performance a major issue within her administration.

Billed as "a roundtable forum about problems that face New Jersey state and local government," the New Jersey meeting brought together a remarkably broad group of officials, including mayors, city managers, city and county commissioners, public sector labor union representatives, mid-level managers, cabinet members, legislators, county executives, academics, journalists, students and the current and former governors of the state.

While the discussion at the forum focused on three basic areas of the Winter Commission report — developing a high-performance workforce, lean, responsive government, and strong leadership — one major theme emerged as preeminent: partnerships. How can labor and management, the public and private sectors, and neighboring local governments work with one another to improve government service and cut costs?

As Governor Whitman told forum participants in describing avenues to higher government performance: "Many have formed innovative partnerships between the public and private sectors and across agencies, departments, levels and even branches of government to show us what we can do when we start to think outside the normal bureaucratic box that controls our daily lives."

Whitman's reference was, in part, to the sort of work being done in Ohio and Indianapolis, Indiana, where Governor George Voinovich and Mayor Steve Goldsmith, respectively, have worked hard and successfully to build bridges to their labor unions in order

Sponsors

The National Center for Public Productivity at Rutgers, the State University of New Jersey Campus at Newark and The Fund for New Jersey. Cosponsored by the Certified Public Managers Association; the Graduate Department of Public Administration, Rutgers Campus at Newark; the New Jersey Chapter of the American Society for Public Administration; the New Jersey Department of Personnel; the New Jersey League of Municipalities; and Thomas Edison State College.

"Many have formed innovative partnerships...to show us what we can do when we start to think outside the normal bureaucratic box that controls our daily lives."

NEW JERSEY GOVERNOR
CHRISTINE TODD WHITMAN

GOVERNOR CHRISTINE TODD WHITMAN presents the New Jersey Exemplary State and Local Awards of the National Center for Public Productivity. Looking on are Center Director Marc Holzer (right), and Mark Murphy, executive director of The Fund for New Jersey (far right)



to pursue experiments in both total quality management and the privatization of government services.

Whitman has visited both Ohio and Indianapolis in hopes of transferring some lessons from the Midwest to the mid-Atlantic region. But it doesn't take just "thinking outside the normal bureaucratic box" to put together those kinds of partnerships; it takes hard work, communication and compromise.

As discussion unfolded, it was clear that New Jersey was ready to wrestle with many of the key suggestions made by *Hard Truths/Tough Choices*, while at the same time discovering just how hard it is to push innovation in government.

Civil Service Reform: A CURE for the "Bumping Blues?"

"My department went through a reduction in force which eliminated 600 people. But because of the bumping, 1,800 employees were displaced. . . . Many employees stopped me in the hall and ask[ed], 'What did I do wrong?'"

NEW JERSEY STATE HUMAN SERVICES
COMMISSIONER WILLIAM WALDMAN

Derégulating the public service — reforming civil service in particular — was a key point of discussion at the forum, and it revolved around the traditional criticisms of civil service as well as the traditional roadblocks to reforming it.

State Human Services Commissioner William Waldman described the classic civil service-wrought scenario, a nightmare for public sector managers and front-line employees alike: "My department went through a reduction in force which eliminated 600 people. But because of the bumping, 1,800 employees were displaced. That gets to the heart of motivating your workforce. Many employees stopped me in the hall and ask[ed], 'What did I do wrong?' That

eliminates creativity and ideas, and until we can better handle this, we are doomed to repeat this pattern over and over."

There has always been one more fundamental criticism of civil service systems, however, and that is that they prevent managers from moving quickly to reward good employees and remove or discipline poor performers. Such contentions are the subject of a lot of debate. Many argue that poorly trained managers are as much a part of the problem as overly complex civil service systems or collectively bargained due process rules, but clearly having to deal with a civil service system on top of agreements made through collective bargaining (as is the case in a heavily unionized government like New Jersey's) makes managing a public sector workforce a complicated and tough job.

"Let's reform civil service so we have accountability and can get rid of people who don't do their jobs," said Senator Gordon MacInnes, restating the classic refrain. MacInnes went one step further at the forum, though, stating: "I'm ready to vote for it, so let's see the proposal. . . . If you want a tough fight, and you have the mandate, take on civil service." His comments were aimed, presumably, at Governor Whitman, who has not yet introduced a civil service reform package. MacInnes accused the Whitman administration of taking on "the easy issue of cutting taxes" rather than the tougher fight over civil service reform.

Her administration has other priorities as well. "Right now, this administration seems focused on 'privatization,'" said Marc Holzer, director of the National Center for Public Productivity, which cosponsored the forum. So civil service reform appears likely to stay on the back burner for now, he said.

But the Whitman administration — or any other — has reason to be leery of the issue. As other states have learned — Massachusetts,



PANELISTS (left to right): STANLEY VAN NESS, FORMER CHAIRMAN, GOVERNOR'S MANAGEMENT REVIEW COMMISSION; NEW JERSEY STATE SENATOR GORDON MACINNES; DAVID KEHLER OF THE NEW JERSEY DEPARTMENT OF TREASURY; NEWTON TOWNSHIP ADMINISTRATOR CAMILLE FURGUELE; JERSEY CITY MAYOR'S ASSISTANT MICHAEL COOK; AND NEW JERSEY STATE HUMAN SERVICES COMMISSIONER WILLIAM WALDMAN.

Florida and Oklahoma, most recently — reforming civil service is not something that can be done easily or quickly. It may seem to have popular support, and it may sound like a sensible thing to do, but reforming civil service raises all the age-old issues of patronage and public sector hiring equity, and can also trigger fierce resistance from public sector employee unions. "It's a question that the unions are not going to give up on," Stanley Van Ness, former chair of the Governor's Management Review Commission, told forum participants, "because they have a legitimate fear that if you substitute some kind of new, more subjective 'merit system' for civil service, then unfairness, bias and political influence will creep in. But it is probably the single most important issue we should deal with."

States that have successfully pushed civil service reform have tended to go about it incrementally, taking on those pieces of civil service that won't automatically trigger strong labor opposition. Labor, for its part, has expressed a new willingness to at least talk about civil service reform, but usually in the context of some other concession. "Here it's if they get the right to strike," said one forum participant. In other states, the trade-off has usually been to allow collective bargaining (only about half the states in the nation currently provide for collective bargaining). That was a point emphasized by Robert Purcell, New Jersey director of the Communication Workers of America, which represents some state employees. As far as he was concerned, Purcell said, the "biggest barrier" to improving the government workforce was the "total lack of understanding of collective bargaining and how the hybrid system between civil service and collective bargaining developed in New Jersey should operate."

It is not an issue that is likely to be resolved soon, however. Labor-management relations in New Jersey have traditionally been volatile, even under the previous Democratic administration. And

FORMER NEW JERSEY GOVERNOR JIM FLORIO makes a point while looking on are Mike ARON of the New Jersey Network (left), Atlantic City Mayor JAMES WHILAN (right) and New Jersey Reporter editor Neil Upmeyer (far right).



Liberman Portraits and Video, Inc., Highland Park, NJ



Lifeyme Portraits and Video, Inc., Highland Park, NJ

EAST ORANGE MAYOR Cardell Cooper (left) speaks to the audience. To the right are John Thurber of the Trenton Office of Policy Studies and Mercer County Executive Robert Prunetti

recently union battles with the Whitman administration over funding of public employee pension funds have driven a new wedge between the camps.

Given that 1995 is an election year, several key participants at the forum doubted whether civil service reform would become an issue in the legislature at all in the near future. But some forum participants said they planned to forward suggestions on reform to both the legislature and the Whitman administration anyway.

LABOR-MANAGEMENT RELATIONS: MANAGEMENT HAS TO GIVE

The whole issue of labor-management relations is currently getting some national attention, however. Former New Jersey governor Jim Florio described to forum participants his involvement in the U.S. Department of Labor's recently formed Task Force on Excellence in State and Local Government Through Labor-Management Cooperation. Florio and Louisville, Kentucky, Mayor Jerry Abramson co-chair the task force, which is looking into a broad array of issues that affect labor-management relations, and which will be developing strategies for improving relations. The task force is scheduled to issue its report this fall. Given the tough times ahead for government budgets, such cooperation is not optional, Florio insisted. "There almost isn't a choice. Given the inevitable austerity that we are facing for the foreseeable future, we have to make the workplace more efficient." The way to find those efficiencies is through much closer labor-management cooperation, he says.

But governments that want to improve labor-management relations will find certain lightning rod issues that make it tough to do. One of the most common and confounding is downsizing. Any

"As chief executive, there are times when you simply have to go against the will of the legislative branch of the government in order to insure that city business moves forward."

EAST ORANGE MAYOR
Cardell Cooper

government that is pursuing wholesale downsizing as part of its overall reform package will have a particularly tough time keeping labor on board, said Florio, so some concessions might be in order. "I suspect that it is inevitable that there will be disruption as we downsize almost everywhere — public and private sectors. But there has got to be some understanding that since you are expecting more from employees you have to give them more, not only in terms of compensation, but also training and more managerial discretion."

BATTLING BUREAUCRACIES, JOINING FORCES

Obsolete or redundant bureaucracies were also high on the list of roadblocks to high-performance government in New Jersey. A number of public officials expressed frustration at the accretion of commissions and authorities that have grown up over the years, bureaucracies that have neither been reevaluated nor cut back since.

"When the mayor of Trenton was elected, there were dozens of commissions and authorities and committees that were trying to run small, discrete elements of what happens in the city," said John Thurber, a public policy analyst with the Trenton Office of Policy Studies at Thomas Edison State College. "And one of the things we have been trying to do is consolidate — or eliminate where necessary — some of those redundant or dead-in-the-water organizations." Such fragmented government makes long-term budgeting and planning especially difficult, Thurber said. "The city gets dozens of pieces of money from the state at different times of year and that makes it very difficult to do serious long-range planning on a consistent basis."

Such consolidation isn't easy, but it can be done. In Trenton, for example, all of the city's cultural resource institutions, from museums to historic sites, were able to unite under one cultural commission, said Thurber.

"ONE OF THE THINGS I HATE THE MOST ABOUT POLITICS IS POLITICAL CONSULTANTS, BECAUSE THEY ALWAYS WANT YOU TO DO THE LEAST RISKY THING."

MERCER COUNTY EXECUTIVE
ROBERT PRUNETTI

GOING REGIONAL

It wasn't only intra-jurisdictional bureaucracy and waste that came up at the meeting, though, but also the burgeoning issue of inter-jurisdictional duplication of services. "The redundancy you see among New Jersey's 567 municipalities is outrageous," said Newton Township Administrator Camille Furgiuele, addressing the forum. Even more so, she said, "when you stop and think that 85 percent of the 567 municipalities have populations of 5,000 to 8,000 people."

But if any issue is more dangerous political dynamite, even, than an issue like civil service reform, it is the subject of regionalization. "You can't even mention it," says Furgiuele, without encountering an immediate fire storm of resistance from local residents, residents who want their own police force, fire protection and road crews, or from the town employees themselves, who fear layoffs in the wake of such consolidations. "I think we can start on a smaller scale by sharing some services," said Furgiuele. "We have done that in Sussex County. We do fire dispatching for eight communities and do fire protection for a neighboring community."

Furgiuele's other suggestion for helping overcome resistance: "I think the state can be of assistance — if they could come up with some type of statistical analysis of cost savings" gained by sharing services. Another way to start, she thinks: Some state incentive for cooperation that could include everything from direct funding to mandate relief.

"THE REDUNDANCY YOU SEE AMONG NEW JERSEY'S 567 MUNICIPALITIES IS OUTRAGEOUS, ESPECIALLY WHEN YOU STOP AND THINK THAT 85 PERCENT OF THE 567 MUNICIPALITIES HAVE POPULATIONS OF 5,000 TO 8,000 PEOPLE."

NEWTON TOWNSHIP ADMINISTRATOR
CAMILLE FURGIEULE

High PERFORMANCE BEGINS AT THE TOP

As with all such discussions, ultimately debate about government reform boils down to a willingness on the part of upper-level government officials to get out in front on the effort and take some risks. Perhaps one of the most powerful and poignant statements made at the meeting was that offered by Mercer County Executive Robert Prunetti: "One of the things I hate the most about politics is political consultants, because they always want you to do the least risky thing."

East Orange Mayor Cardell Cooper stated it another way: "Making tough choices in government is not always the most popular thing to do." For an example of how leadership — and the statutory power to exercise it — can make a difference, Cooper described a recent battle he had with half of his 10-member city council over the spending of \$3 million in state and federal grants. Without speedy action on the grants, the city was in danger of losing a portion of the money. When half the council refused to even show up for a vote on the spending, Cooper exercised a seldom-used power extended to him by the city charter: In the event of a tie or lack of quorum, the mayor can vote. He quickly pushed through a program. He was immediately sued by the no-show council members.

It comes with the territory, said Cooper. "As chief executive, there are times when you simply have to go against the will of the

legislative branch of the government in order to insure that city business moves forward."

Administration-versus-legislature battles are hardly new, but certainly extending authority to chief elected executives as recommended in *Hard Truths/Tough Choices* can make a big difference in moving policy. But another key theme in the report was that those executives also should work harder at delegating. One point about leadership that was continually raised during the forum — and that was a key theme of the Winter Commission report — was that upper-level elected and appointed executives have to trust their mid-level managers and front-line staff to make decisions free of micromanagement.

It's a tactic that can pay real dividends, said Commissioner Waldman, who described an initiative by a group of his employees that led to the influx of \$400 million into the state's coffers. "You have to unlock the creativity of the workforce and [sell] risk to the people you work with."

A possible rule of thumb for managers was offered by one participant, who described U.S. Secretary of Education William Reilly's prime directive for pushing authority and decision-making down the organizational chart. Under Reilly's rule of empowerment, employees should be encouraged to ask themselves the following questions: Is it good for my customers? Is it legal and ethical? Is it something I'm willing to be accountable for? Is it consistent with my agency's mission? Am I using my time wisely? If the answer to all those questions is yes, then you don't have to ask my permission to go ahead.

NEXT STEPS

A final forum report has been forwarded to legislative leaders and the governor's office. And while "politics tends to outrun action," when it comes to the sorts of tough issues raised at the forum, noted Marc Holzer, Governor Whitman has clearly set a "more-for-less" tone for her administration. Even coming close to delivering on that kind of promise will require that much of the discussion during the forum now be turned in a very specific way toward driving policy and administration.

THE OKLAHOMA FORUM ON HIGH-PERFORMANCE GOVERNMENT

Edmond, Oklahoma, October 14, 1994

While the New Jersey conference seemed to be a worthwhile preliminary discussion of some of the broad and difficult issues raised by *Hard Truths/Tough Choices*, the Oklahoma forum was remarkable for its action focus.

In fact, the *Oklahoma Forum on High-Performance Government* was a direct response to the Winter Commission report. "Adlai Stevenson is said to have quipped that 'Newspapers separate the wheat from the chaff and print the chaff,'" said Commission Executive Director Frank Thompson, speaking at the Oklahoma forum. "Undoubtedly there's some chaff in the reinvention movement. But we like to think that the Winter Commission report comes pretty close to being pure wheat." Public officials in Oklahoma seemed to agree, using *Hard Truths/Tough Choices* to outline their own agenda for change, focusing on the report's recommendation that government emphasize the importance of training and education in developing government employees.

To develop and focus the discussion, Oklahoma officials convened five smaller forums statewide — in Enid, McAlester, Lawton, Tulsa and Oklahoma City — before the Edmond forum. As a result of those sessions, participants in Oklahoma were ready to tackle specifics in their discussions of how to infuse a learning ethic into public service.

Sponsors

Cosponsored by the Oklahoma Office of Personnel Management; the Nigh Institute of State Government at the University of Central Oklahoma; the Oklahoma Public Employees Association; and the Oklahoma Municipal League.

LEARNING LEGISLATORS

The approach that Oklahoma forum participants took was not at all a conventional one. Rather than stopping at mid-level managers or front-line employees in its recommendations on encouraging "a learning government" (the two groups that are most commonly considered in need of education and training), participants in the Edmond forum added two other groups of people to the list of those who also need to become part of such a learning government: legislators and other upper-level government officials, on the one hand, and citizens on the other.

The recommendation regarding legislators was clearly the most provocative to come out of the forum. According to the final forum

"ONE OF THE MOST OFTEN-MENTIONED ITEMS RELATING TO THE PARTICIPATION OF POLITICIANS AND ELECTED OFFICIALS IS THE IMPORTANCE OF TRAINING AND ORIENTATION OF ELECTED OFFICIALS AT ALL LEVELS....[FORUM PARTICIPANTS] REPEATEDLY INDICATED THEY FELT THAT THERE WERE TOO MANY HIGHER-LEVEL STATE AND LOCAL ELECTED OFFICIALS...WHO DID NOT KNOW THEIR OWN JOBS OR DID NOT UNDERSTAND THE FUNCTIONING OF THEIR OWN ORGANIZATIONS OR BOTH."

RESPONSE TO THE CHALLENGE: HOW TO CREATE A LEARNING GOVERNMENT, THE OKLAHOMA FORUM FINAL REPORT.

report, *Response to the Challenge: How to Create a Learning Government*: "One of the most often-mentioned items relating to the participation of politicians and elected officials is the importance of training and orientation of elected officials at all levels...[Forum participants] repeatedly indicated they felt that there were too many higher-level state and local elected officials...who did not know their own jobs or did not understand the functioning of their own organizations or both." As a result, "Participants recommended mandatory training for legislators regarding the operation of state agencies, legislative processes, and logistics of policy analysis."

A core course in government administration for legislators? It is certainly an intriguing proposition. Legislatures are frequently perceived by administrative officials as frustrating efforts aimed at high-performance government, blocking civil service reform, tying ever longer strings of red tape around procurement procedures, pushing for increasingly detailed budgets in an era when flexibility is considered crucial to top performance, all the while expending vast quantities of legislative time and effort in prescribing exactly how other broad areas of state policy and administration ought to be carried out. Much of that is, of course, related to the constituencies to which legislatures have to respond, but it was the view of forum participants that if legislators were better informed about the complexity of running a government, and how their actions impact on public policy and public administration, then administrative officials and legislators might be able to work more cooperatively on reform efforts.

As it turns out, there is already a precedent for training programs for high-level public sector staff in Oklahoma. During a speech to the forum, Oklahoma Governor David Walters described the two days of training he went through as part of the state's total quality management (TQM) effort, training that he insisted his cabinet go through as well. "They were a little reluctant, but I think they finally got into it," said the governor. The fact that the governor and his top staff went through training is significant; many of the mayors and governors who advocate TQM nationwide actually refuse to go through even minimal training in the technique.

BRINGING IN CITIZENS

At the same time, forum members also recommended that citizens be offered wide and easily accessible opportunities to learn more about government and what government does, even including volunteer opportunities within government departments and offices so that

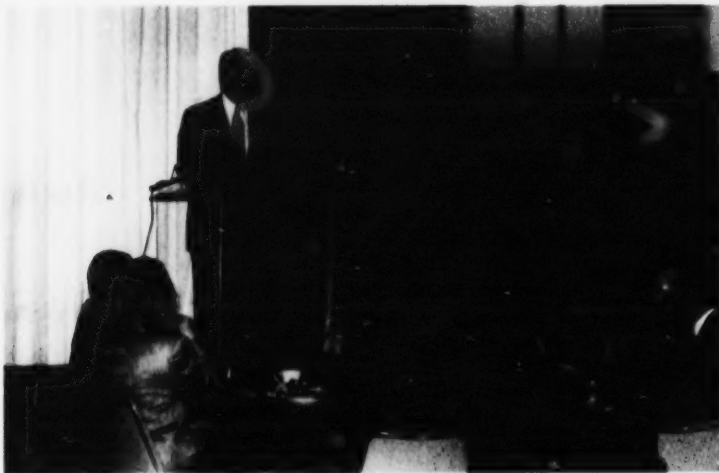
citizens could get a hands-on education in the public service. Some of the suggestions for educating citizens in the workings of government included:

- Establishing "Government Volunteer Programs" that allow citizens to volunteer on a monthly, weekly or even daily basis to assist in tasks that will provide them with a better understanding of what state and local government employees routinely do.
- Creating "Executive Loan Programs" that allow for the exchange of agency heads and other public officials with private sector colleagues for the purposes of providing fresh ideas and perspectives and familiarizing private sector executives with state and local government operations.
- Encouraging educators in K through 12 as well as higher education to access government organizations and expose their students to state and local government operations and procedures through research, on-site visits and in-person interviews.

Like all ambitious recommendations, some have the potential of creating as many problems as they solve. The forum suggestion that states and governments install agency and department citizen "information hotlines" is potentially a very good idea, but hotlines can be a two-edged sword: Well-staffed hotlines can make government appear smart and responsive; poorly staffed hotlines only reinforce in citizens' minds that calling government means nothing but a perpetual busy signal.

"I MUST BE GETTING OLDER AND WISER, BUT I USED TO THINK THAT A COMMISSION REPORT OR BLUE RIBBON PANEL REPORT MEANT INSTANT ACTION. I NOW REALIZE THAT IT TAKES A WHILE FOR RECOMMENDATIONS TO SIFT OUT, SOMETIMES THREE OR FOUR YEARS; THAT YOU HAVE TO PLANT THE SEEDS OF REFORM, AND THAT'S WHAT THIS DOES."

OKLAHOMA OFFICE OF PERSONNEL
MANAGEMENT ADMINISTRATOR AND
CABINET SECRETARY OF HUMAN
RESOURCES OSCAR B. JACKSON, JR.



Daniel Smith, University of Central Oklahoma Photographic Services

GOVERNOR DAVID WALTERS ADDRESSING CONFERENCE PARTICIPANTS.

Commission Executive Director Frank J. Thompson (left) and Oklahoma Office of Personnel Management Administrator and Cabinet Secretary of Human Resources Oscar B. Jackson (right).



Daniel Smith, University of Central Oklahoma Photographic Services

SHOOTING FOR FIVE PERCENT

A number of specific recommendations for action in the area of mid-level management and front-line staff also emerged during the conference, including setting aside two to five percent of operating budgets specifically for training. The Winter Commission's recommendation is for at least a three percent set-aside of personnel costs. In making its recommendation, forum participants did acknowledge the broad criticism of such a suggestion: Funding might not always be there to support such a goal. Ultimately, however, participants in Edmond decided it was worth setting their sights high. They also suggested closer consideration of pay-for-performance plans, and recommended that the state conduct a sweeping "needs assessment" survey, "with a particular focus on supervisory and management development needs."

The forum also took on some of the broader issues of improving public service, in particular the need to develop personnel systems that will attract and retain top-quality people.

As part of an improved recruitment strategy, Oklahoma has already made progress in reforming its civil service system, consistent with recommendations made in *Hard Truths/Tough Choices*. Oklahoma's new Governor, Frank Keating, recently signed a bill that will allow government officials in Oklahoma to choose from a wider pool of candidates when hiring under a pilot broad banding project that may affect up to 20 classes. In the past, Oklahoma personnel officials (like those in many state and local governments) were restricted to hiring top scorers from lists established by civil service testing. Under the new policy, Oklahoma officials will no longer be restricted to only the top

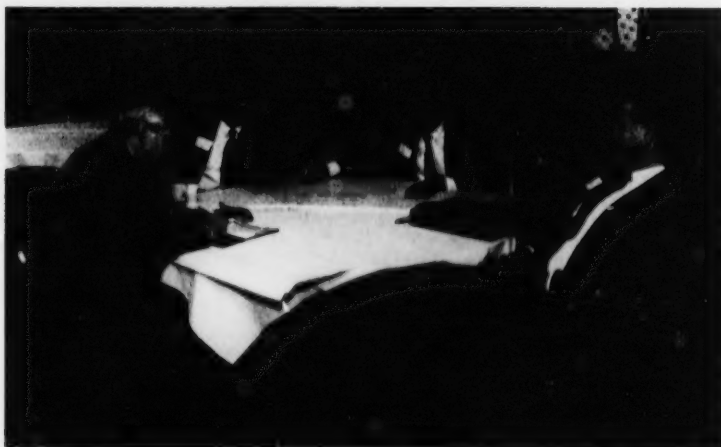
five or 10 scores, but allowed to reach further down the list for qualified candidates in selected classes. Such "broad banding" of certified applicant lists is a recognition of the fact that among top testers there is "very little statistical difference," says Oklahoma's Office of Personnel Management Administrator Oscar B. Jackson, Jr., and that test scores are only one factor in the many that ought to be judged when looking at job candidates.

PLANTING THE SEEDS

Some of the conference recommendations — including the admonition to elected officials that they should "appoint the most qualified individuals rather than family, friends or supporters" — focused on long-standing and probably endemic problems in government. But in all, the forum presented a solid and reasonable set of recommendations in *Response to the Challenge: How to Create a Learning Government*. In fact, the report has been presented to freshman Governor Frank Keating, to help steer the activity of the recently formed Governor's Commission on Government Performance.

Will It HAVE AN IMPACT?

"I must be getting older and wiser, but I used to think that a commission report or blue ribbon panel report meant instant action," said Oscar Jackson, reflecting on the forum report. "I now realize that it takes a while for recommendations to sift out, sometimes three or four years; that you have to plant the seeds of reform, and that's what this does."



Daniel Smith, University of Central Oklahoma Photographic Services

WORKING GROUP MEMBERS AT THE CONFERENCE IN EDMOND.

CREATING A HIGH-PERFORMANCE WORKFORCE IN VIRGINIA

RICHMOND, VIRGINIA, OCTOBER 25, 1994

As was highlighted in Oklahoma, if anything, state legislatures have a reputation for being a stumbling block to innovation in government, not a catalyst for it. So it was both interesting and encouraging that the Virginia forum was convened by a joint commission of the Virginia Assembly, headed by Senator Richard J. Holland, who has been a champion of high-performance government in Virginia. "Anticipating citizen needs," "continuous improvement," and "doing the right thing the first time" are all characteristics that Holland set out as specific to effective government.

All of those themes underpinned the Virginia forum's broad agenda, which ranged from ways to improve public participation in government to techniques for "envisioning the future" as a way for governments to anticipate needs and demands down the road. Participants included top elected and appointed state and local officials, administrators and academics.

The goal of the forum was ambitious: Five task groups were to come up with one implementable suggestion in each of five topic areas:

- Improving relationships among administrators, elected officials and the public;
- Identifying, measuring and rewarding high performance;
- Rethinking the human resource system;
- Achieving continuous learning;
- Envisioning the future.

Sponsors

The Joint Commission on the Management of the Commonwealth's Workforce. Cosponsored by Virginia Commonwealth University; the Virginia Chapter of the American Society of Public Administration; the Virginia Municipal League; the Virginia Association of Counties; and the Virginia Institute of Government.

"REINVEST, DON'T REINVENT"

Lest participants get too swept up in the "reinventing" craze, however, they were admonished fairly early in the program by Robert H. McClain, Jr., president of the American Society for Public Administration, that "reinventing" and "reengineering" may not be the



Hollmeyer Photography, Richmond, VA

Virginia State Senator Richard J. Holland, chairman, Joint Commission on Management of the Commonwealth's Workforce.

most realistic or helpful terms for describing the sort of change that benefits — or actually occurs in — government. McClain suggested, rather, that words like “reinvesting,” “retraining,” and “revitalizing” were more appropriate, reflecting the steady, continuous progress that is a more typical governmental change model. In his 40 years of government watching, McClain says, governments have always been “reinventing” themselves.

That argument was certainly bolstered by the presence of keynote speaker and former mayor of Indianapolis, Indiana, William H. Hudnut III, a “reinvention” advocate, but in fact a good example of McClain’s theory. Long before David Osborne and Ted Gaebler published their landmark book *Reinventing Government*, Indianapolis was developing a well-deserved reputation as an active reform laboratory successfully pursuing landmark experiments in everything from regional governance, to visionary economic development policies, to the recently popular idea of treating citizens as “customers.”

COMMUNICATION IS CRITICAL

While many governments are now describing citizens as customers, the word has led to a good deal of academic discussion over definitions. Are they really “customers” or are they “owners” or “constituents,” and so forth. Whatever the subtleties of “customers” meaning, the key point — which was driven home repeatedly in Richmond — is that citizens are demanding to be treated better in their dealings with government, and governments are learning that treating citizens as customers is simply a smart tactic for improving overall government-citizen relations.

At the same time, improving relations between administrators and elected officials is regaining currency as a high-priority issue in government, for a simple reason: As demands on government increase — even as citizen willingness to abide tax increases falls — efficient and effective management of government has become a public policy issue in and of itself.

In his remarks to forum participants, the Chairman of the National Commission on the State and Local Public Service, former Mississippi governor William F. Winter, covered both sides of the communications issue. When as governor he found a communications gap with the legislature, he held weekly meetings with legislators at the governor’s mansion to keep dialogue open. He used passage

of his landmark Mississippi education reform bill to illustrate the importance of citizens in the governmental process.

Given that Mississippi's form of government does not extend great powers to the executive, it fell to Governor Winter during his term to persuade Mississippi citizens that it was time to move forward with education reform legislation and to pass a large tax increase to fund it. Nothing about his ultimate success was magic, he said, just hard work. Winter attributed his success to taking his case to the people — through phone banks and local community support groups and by organizing nine regional forums to explain his reform plan. The response, said Winter, was overwhelming. Some field meetings were attended by as many as 3,000 people. The reform bill passed — along with the tax increase to fund it — said Winter, “because the people realized what we were trying to accomplish.”

As important as it can be, bringing citizens into the public policy mix has never been a very straightforward proposition, however. And bringing them in in today's political environment can be even tougher, especially in view of what many see as the current wave of harsh citizen backlash at government, a backlash embodied in tax caps, term-limit proposals, angrier and angrier election-time rhetoric and even, as was seen in Oklahoma City, violence.

Nationally, efforts to encourage citizen involvement in governing run the gamut, from the active cultivation of neighborhood organizations to municipal “annual reports” outlining in layman's terms what government does — and how well it does it — in hopes of demystifying government and drawing in greater citizen participation.

A number of Virginia communities have become leaders in encouraging citizens to become part of policy making, including Petersburg, which has actively pushed the use of citizen task forces as a way to bring constituents into governing. Valerie Lemmie, Petersburg's city manager, described her city's efforts in convening citizen task forces. Through the aggressive grooming and courting of neighborhood groups, says Lemmie, citizens have input into all aspects of city policy, from developing the budget to deciding on what hours local parks will be open.

Again, the process isn't so much magic as it is hard work: “You go out and you walk the neighborhoods and you talk to citizens and you talk to neighborhood watch associations,” says Lemmie, who routinely puts together citizen task forces to work on policy issues. The key to the relationship, she says: Public officials in Petersburg take the process seriously:

Rather than focus on such specifics, the forum task group on "Improving Relationships among Administrators, Elected Officials and the Public" opted for a broad recommendation: Use the newly established Virginia Institute of Government at the University of Virginia as a vehicle for "skill building, education, and training of all three groups (i.e., elected and appointed officials, professionals, and citizens)," and as an institution to sponsor forums and focus groups that would bring together citizens and public officials on public policy issues.

REWARDING PERFORMANCE

As important as citizen involvement may be to a healthy government, governments are still judged by a simple criterion in the minds of citizens: Is it delivering services well?

With that question in mind, state and local governments have been aggressively investigating ways to inspire public sector employees to higher performance and to reward them for it.

Part of that general effort has been to move away from the classic civil service-style "step-and-grade" of employee advancement, a system that many say rewards time on the job as much as performance in it. And so state and local governments nationwide are looking into alternative ways to reward top-performing public employees. These include pay-for-performance plans, gainsharing (where teams of employees are rewarded for high performance) and putting savings won through high performance into "innovation accounts" for continued individual and group experimentation.

As the discussion in Richmond demonstrated, all such issues have a broad and a narrow side: One key to high performance, participants agreed, was ensuring that all public sector employees understood the overall mission of the organization for which they worked. At the narrow end of the scale, it is government's need to develop new tools for handling employee evaluation. The city of Hampton, for example, has moved to broader use of "peer review" in job evaluations, rather than the traditional "manager-employee" review process, says the city's Human Resources Director Tharon Greene. Employees there are very happy with the new system, says Greene, including managers.

Another newly emerging technique for encouraging higher performance is "gainsharing." Again, Hampton is one of the lead localities nationally in offering teams of employees shared rewards for high performance. Some of those performances have been "spectacular," notes Greene. Several years ago, for example, the city wanted to build

a golf course on the site of an old landfill. "We went out to private bidders and couldn't afford any of them," said Greene. "So our city employees said they'd build it. Well, they did and it saved us more than \$2 million."

After specific discussion of varying reward systems, the conference's work group on "Identifying, Measuring and Rewarding High Performance" decided to tackle the fundamentals in its single recommendation: Each governmental organization should develop a mission statement that it would clearly communicate to citizens and employees, and against which the organization would be measured for performance.

POOR PERFORMANCE: Always a Distraction

The work group on "Rethinking the Human Resource System" likewise decided to focus — in this case, on poor government performers. While top performers need to be rewarded, the group agreed, too often the bulk of time and attention in human resource systems is given to dealing with poor performers. And so the human resource system panel decided to focus on the issue of redesigning disciplinary and grievance procedures in government.

Discipline is a tough and distracting issue in virtually every state and local government, although some have dealt with it in new, positive ways. New York State, for example, now has an expedited system for handling "time and attendance" cases, by far the most common discipline issue among public sector employees. In Connecticut, the state has aggressively pursued mediation as a way to head off protracted and expensive disciplinary proceedings. In each case, the amount of time it takes to expedite cases has been cut from months to days, and the amounts of employee time and government money spent on discipline cases have been slashed proportionately.

This particular panel decided on a very specific action plan and formed a task force under the auspices of the Virginia Chapter of the International Personnel Management Association (IPMA) to do extensive research and develop more effective models for dealing with public sector discipline issues. The Task Force on Effective Employee Relations has come up with a variety of strategies that clarify mutual responsibilities of both managers and employees. The shift to employment relationships that embody mutual respect are reflected in the task force goal, "To build positive working relationships among employees in support of a high performance workplace." A report will be published and made available through the Virginia Chapter of the IPMA.

"WE WENT OUT TO PRIVATE bidders AND COULDN'T AFFORD ANY OF THEM. SO OUR CITY EMPLOYEES SAID THEY'D build [THE GOLF COURSE]. Well, they did AND IT SAVED US MORE THAN \$2 million."

HAMPTON, VIRGINIA, HUMAN
RESOURCES DIRECTOR THARON
GREENE

CONTINUOUS LEARNING AND LOOKING TO THE FUTURE

Discipline issues may be paramount in many personnel systems, but training is certainly coming on as a key counterpoint. Studies done in the private sector have illustrated clearly that continuous learning doesn't just pay for itself in more effective performance but actually leads to greater profits, according to the forum background paper on continuous learning. As discussed at virtually all the other forums, the payoff for the public sector may not literally be bankable but is just as real.

Recommendations that came out of the work groups on "Continuous Learning" and "Envisioning the Future" included:

- State and local governments need to make "continuous lifelong learning an integral part of every public-sector job in Virginia." A few of the ways to do that suggested by the panel included developing skills-based pay plans; moving toward a minimum of three percent of budgets going to continuing education; and using in-house staff to provide some continuing education services.
- "Ongoing visioning processes" need to be developed within all government organizations. Such visioning would include developing a general mission statement with the full involvement of employees, citizens and other affected interest groups, with an emphasis on planning and an eye toward consensus.

As panel recommendations were forwarded to the Joint Commission on the Management of the Commonwealth's Workforce, so far the suggestions that have spurred concrete discussion regard developing a human resources strategic plan and also the possible introduction of legislation creating specific training budgets for state employees.

LEGISLATURE TO STAY TUNED IN

According to Senator Holland, interest in the work of the Joint Commission, along with the interest generated by *Creating a High Performance Work Force*, the Richmond forum final report, has meant the reauthorization of the Commission through the next legislative session. "I think we covered the gamut at the forum," he said, "and we want to continue that work."

INNOVATION AT WORK: BEST PRACTICES AND STRATEGIES FOR CALIFORNIA STATE MANAGERS AND SUPERVISORS

SACRAMENTO, CALIFORNIA, NOVEMBER 14-15, 1994

If states are "the laboratories of democracy," as David Osborne asserted in his book by that title, then California has certainly proved itself to be one of the most prolific labs in the country. Out of necessity, some would argue. Of the more than 500 state and local government managers who attended a total of 21 different workshops at the California forum, plenty were there because the public administration maxim in the Golden State has become "innovate or perish."

That is because of the unprecedented and countervailing forces that have been pressing down on the state hard for the last 10 years: the collapse of the aerospace industry, combined with the flight of both businesses and an increasing number of wealthy residents, on the one hand; and burgeoning costs associated with foreign immigration combined with a string of hard-hitting natural disasters, on the other. And all of that against the backdrop of the state's notorious Proposition 13, passed in 1978, one of the first property tax caps passed in the country, a ballot initiative that some argue has helped keep the state in fiscal crisis ever since.

As State Assemblyman and former Sacramento mayor Phillip Isenberg noted during the forum, the state has been a deficit operation for 13 out of the 16 years since the cap. And if reinventing government really does mean doing more with less, California is a prime example. Isenberg contends that the number of state employees per 1,000 residents is at its lowest since 1969, and is still falling.

So it was no wonder that the California forum featured an impressive array of innovators, including agency directors who "grow their own" future workers through partnerships with local schools; state mental health officials who are aggressively pushing quality initiatives to bring labor and management closer together on new policies to reduce costs; and personnel officials pitching new systems aimed at expanding the pool of qualified workers, while at the same time building flexibility and greater rationality into the hiring, deployment, discipline and compensation of civil servants.

A major focus of the two days was on human resource issues. In fact, the State Personnel Board presented its draft strategic plan at the

Sponsors

The California State and Consumer Services Agency. The steering committee included representatives from the Center for California Studies at California State University, Sacramento; the Department of Consumer Affairs; the Department of Finance; the Franchise Tax Board; the Department of General Services; the Health and Welfare Data Center; the Department of Personnel Administration; the Program for Public Policy and Administration at California State University, Sacramento; the School of Public Administration at the University of Southern California; and the State Personnel Board.

"Public Entrepreneurs" Panel: From the left, Anita Aluja, State and Consumer Services Agency; Karen Collins, Department of Parks and Recreation; Robert Hertzberg, Los Angeles County Productivity Commission; Judith Rendall, Los Angeles County Department of Beaches and Harbors; and Joanne Conday Kozberg, Secretary of the State and Consumer Services Agency.



Photo provided by Chrys Ravnus

forum. The plan echoed many of the *Hard Truths/Tough Choices* themes, including a hard look at civil service rules to see how they affect the whole area of personnel management.

"Our state is in the process not only of downsizing and reinventing," said Joanne C. Kozberg, secretary of the State Consumer Services Agency, which sponsored the forum, "but also of reenergizing our workforce."

Innovation — by whatever label — will be particularly important in states and localities in upcoming years, noted William G. Milliken, former governor of Michigan and a member of the Winter Commission, who addressed the California forum. "In many areas people are now looking to the states and localities rather than the federal government to perform vital services once sought from Washington. And they expect the states and localities to improve the services they have traditionally provided. So the need for innovation is growing rapidly."

"PIONEER PROJECTS" LEADING THE WAY

As Milliken, who chairs the Ford Foundation's innovations program administered by Harvard University's Kennedy School of Government, also pointed out, California has long been a rich source of examples of innovation. Currently the state is pursuing a wide range of experiments in human resource management and public administration, some ad hoc and out of necessity, some with the official imprimatur of Governor Pete Wilson's office. The formal efforts, which have been coordinated by the Governor's Office of Planning and Research, are called "Pioneer Projects," which are total quality

management-based efforts to push high performance in government across a broad front.

One of the more interesting Pioneer Projects discussed at the forum is that aimed at broad banding civil service job classifications in order to get out from under the state's current very tightly prescribed classification system. California now carries more than 4,000 job titles — which puts it third, behind New Jersey (6,400) and New York (7,300) in the job classification inflation race.

The "Broad Band Pioneer Project Team" has completed the first phase of its study into implementing broad banding of both job classifications and pay structures. The plan is now being field-tested within the California Department of Personnel Administration itself. "We are trying our own poison on ourselves first to see how it works," said Wendell Coon, chief of the department's policy division.

As in other widely unionized state government workforces, the whole notion of civil service reform has been met with some fierce resistance from organized labor, resistance that is often played out in legislatures, where many such reforms would have to be implemented. According to Coon, his effort represents something of a compromise. "If we had our druthers we would make a lot of changes the legislature would never approve," said Coon. "Unions are very protective of the status quo and management innovation is a 'no-no.'"

Union officials at the forum disagreed with Coon's blanket assessment, however. What they want, said Ron Safran, with the California State Employees Association, is some "labor perspective on broad banding" injected into the discussion, and to be more a part of the whole reform process. Labor's basic concerns are familiar: that any system offering managers more flexibility opens up avenues for abuse; they want unions to be brought in early on any discussions of personnel reform. "The union can function as a real catalyst in helping make these changes," said Safran. "But we have to feel that we are working with management in order to do that."

"Broad banding" job classifications has been receiving a good deal of attention lately, at the local, state and federal level. It's no wonder, as traditional civil service systems tend to slip job titles onto employees like straitjackets, preventing them from being moved quickly into different positions and/or different departments as needed. That's because under traditional civil service rules if a person's job title doesn't match exactly a prospective new job, red tape begins to enshroud the move.

Broad banding cuts the number of job classifications, putting more staff into general groupings defined by a set of core skills



David Ford

"IN MANY AREAS people are now looking to the states and localities rather than the federal government to perform vital services once sought from Washington. And they expect the states and localities to improve the services they have traditionally provided. So the need for innovation is growing rapidly."

William G. Milliken, former GOVERNOR of Michigan and a MEMBER of the WINTER COMMISSION

"If we had our druthers we would make a lot of changes the legislature would never approve. Unions are very protective of the status quo and management innovation is a 'no-no.'"

Wendell Coon, chief of the policy division, California Department of Personnel Administration

(clerical, accounting, auditing, engineering, and so forth), but without narrowing job titles much more than that. Job descriptions, likewise, would reflect the new "core-skills" approach. Together they allow managers to deploy staff much more efficiently as priorities change and resources shift. And by broad banding pay structures along with titles, managers have more flexibility in offering — or denying — raises to employees as well.

As reflected in Safran's comments, unions have traditionally fought efforts to broad band, charging that it injects too much subjectivity into personnel management while giving managers too much power, generally. But as government performance becomes an increasingly high-visibility political issue in America, public employee unions, including the American Federation of State, Local and Municipal Employees — the nation's largest public employee union — have shown increasing willingness to sit down with management to work on civil service reform.

Profiles in Performance

Pushing sweeping civil service reform has never been easy, however, which is why many governments and government departments have instead been focusing on more discrete areas of operation in order to improve specific performance.

California offered a wealth of such specific examples of high-performance, or at least higher-performance, government in action, and some at the conference had some classic tales to tell in explaining why high performance has become a high priority.

Robert Quist, director of employee relations for the Los Angeles Unified Court, described as all too typical the plight of one Angelino trying to contest a traffic ticket. The citizen first had had a hard time finding the courthouse. He had to park several blocks away in a space with a one-hour limit. He had to wait in a long, slow-moving line before getting to a thick-paned window that he had to shout through to be heard. Roundly unfriendly clerks, who referred to the man as "the violator," couldn't find his records on computer and had to shuffle through piles of paper before locating them. When he'd finally settled the issue, he returned to his car to, of course, find a ticket for overstaying the one-hour limit.

Such incidents inspired Quist's office to take action. Simplified procedures have reduced the waiting line at the court, the glass barrier between citizens and clerks was removed, and clerks were persuaded



Speaking at the "Customer Driven Government" session, Marty Keller, Bureau of Home Furnishings and Thermal Insulation, California Department of Consumer Affairs. To the left, Peggy Platt of the State Teachers Retirement System's Administrative Branch.

Photo provided by Cheryl Rymasz

to be more friendly — or to at least stop referring to citizens as “violators.”

Along the same lines — creating a government that is more accessible and responsive to constituents — are the computerized kiosks that now pepper California malls and other public areas statewide, through a program called “Info/Cal.” The kiosks, a Ford Foundation innovations award winner, have received much national attention because of the potential they hold for making many of those time-consuming but day-to-day transactions with government more convenient.

With a touch of the screen, Californians can now pull up information on jobs, student loans and how to order duplicate documents, like birth certificates. And they can find out how to apply for other government services and benefits. Officials plan to expand the kiosks’ offerings to include paying traffic tickets, filing for divorce, renewing a driver’s license and delivering tax forms. Estimates of potential long-term savings from the kiosks easily run into the billions, according to Russ Bohart, director of the California State Health and Welfare Data Center. Perhaps best of all, though, no kiosk will ever refer to any Californian as a “violation.”

But for an example of just what government can do when the inspiration is right, none offered at the California forum matched the story of the rebuilding of the Santa Monica Freeway, a key section of which collapsed during the earthquake of January 17, 1994. Initial predictions were that it would be years before the raised road would be rebuilt. That was until government officials hammered out a deal with contractor C.C. Myers: We’ll cut the red tape — and even give you generous performance bonuses — if you’ll move to get the freeway back in service.

“THE UNION CAN FUNCTION AS A REAL CATALYST IN HELPING MAKE THESE CHANGES. BUT WE HAVE TO FEEL THAT WE ARE WORKING WITH MANAGEMENT IN ORDER TO DO THAT.”

RON SAFRAN, CALIFORNIA STATE
EMPLOYEES ASSOCIATION



Photo provided by Cheryl Rasmussen

SPEAKING AT THE “PERFORMANCE-BASED BUDGETING” SESSION, KEVIN BACON OF PRICE WATERHOUSE. TO THE RIGHT, WILLIAM SOUTHO, DEPARTMENT OF TOXIC SUBSTANCE CONTROL; FAR RIGHT, TOM WARD, SONOMA DEVELOPMENTAL CENTER.

The rest is now a case study in how streamlining normally deadening contracting and procurement procedures could really work in government. Teams of state lawyers, auditors and California Transportation Department officials set up expedited contracting and procurement procedures — procedures that even included the unheard of process of cutting some same-day checks for invoices. With the flexibility to perform, Myers did exactly that, completing the freeway job in record time with no loss of life. "It was a team effort," said CalTrans official Algerine McCray. Processes that would ordinarily take months, she noted, took days instead. Sometimes they took just hours.

SHORT ON RESOURCES: THE CONTINUING CRISIS

Although certainly inspiring, the Santa Monica Freeway story is in many ways an aberration. The crises that government agencies face today tend to be chronic crises of resources. One way of dealing with such shortages and improving governmental performance, suggested *Hard Truths/Tough Choices*, is to follow the example of the private sector and restructure entire bureaucracies by removing managerial layers between upper-level and front-line staff.

One of the more chronically resource-deprived areas of both local and state government are parks departments, and they are always a favorite target in tough fiscal times, viewed as something of a "frill" by policy makers.

It was just such a continued budget crunch that inspired ("required" might be a better word) the State Department of Parks and Recreation to undergo its wholesale bureaucratic restructuring. It

"Academia as a Resource" Panel: From the left, Carroll V. Mjelde, Office of the Chancellor of California State University; Andres Jimenez, California Policy Seminar; Cristy Jensen, California State University, Sacramento (CSUS) public policy graduate program; Ross Clayton, University of Southern California School of Public Administration; Timothy Hodson, Center for California Studies, CSUS.



Photo provided by Carys Krems

reduced administrative staff by a whopping two-thirds — through attrition and not layoffs — while actually improving services. Despite the cuts — or maybe because of them — Parks Deputy Director Denzil Verardo reported that “we are functioning quite well.”

Verardo’s prescription for change was straightforward: The older the bureaucracy, the more opportunity there is for revamping it. And as the parks example proved, it doesn’t take wholesale changes in personnel rules to do that, just a new way of looking at administrative structure and service delivery.

CONFERENCE CONTINUITY

If the overt theme of the California forum was high-performance government, the subtext was networking. In an effort not to lose the synergy created by the forum, organizers now plan a series of smaller, quarterly conferences and another major statewide conference in 1996. Meanwhile conference organizers have made a data base of all forum participants, which is available on-line to anyone interested. At the same time, there is renewed discussion of developing a “leadership institute” for the continual training of state leaders in all areas of high-performance government and policy administration.

THE INDIANA FORUM ON HIGH-PERFORMANCE GOVERNMENT

INDIANAPOLIS, INDIANA, NOVEMBER 17-18, 1994

Of all the recommendations made in *Hard Truths/Tough Choices*, two of the most fundamental revolve around the importance of strong executive leadership, on the one hand, and citizen involvement on the other. In fact, some argue that without both those things, the chances that any government is going to move to a higher level of performance, especially in tough fiscal times, are unlikely.

And as discussion among the 100 leaders from state and local government, community, business and academia who gathered in Indianapolis progressed, it became clear just how tightly linked the two issues are. How do you elect people with the sort of vision and integrity that strong executive leadership demands, if citizens are not involved enough or informed enough to recognize and support those public officials who aren't afraid to make tough choices and take risks? How can you possibly expect citizens to become interested or involved in government when government officials and government bureaucracies seem determined to shut citizens out of the process and instead expend most of their energy avoiding risk and protecting turf?

In fact, as discussion progressed in Indianapolis, the issues of leadership and citizen involvement turned out to be so closely linked that the separate groups that had formed to discuss strengthening executive leadership, on the one hand, and citizen involvement, on the other, decided to merge.

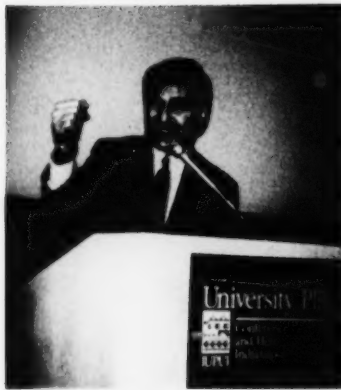
Sponsors

The Indiana University School of Public and Environmental Affairs; the Coalition to Improve Management in State and Local Government; and Center for Urban Policy and the Environment. Cosponsored by the Indiana University Center on Philanthropy; Indiana Association of Cities and Towns; the National Association for Community Leadership; Indiana Leadership Association; and the Association of Indiana Counties.

NO HELP FROM THE FOURTH ESTATE

Not surprisingly, the media came in for a good deal of criticism during the course of the executive leadership/citizen involvement discussion. As the principal intermediary between elected officials and citizens, the media, forum participants felt, has spent far too much time trying to generate headlines and far too little time covering issues. That prevents government officials from getting their message across and keeps citizens and public officials alike angry and frustrated. "The media changes peoples' perceptions of reality," former

"THE MEDIA CHANGES PEOPLES' PERCEPTIONS OF REALITY. IT HAS BECOME MORE POWERFUL THAN PERSONAL EXPERIENCE."
FORMER INDIANA LIEUTENANT GOVERNOR AND LEGISLATOR
JOHN M. MUTZ



FORMER MASSACHUSETTS GOVERNOR AND presidential candidate Michael S. Dukakis.

Indiana lieutenant governor and legislator John M. Mutz, told forum participants. "It has become more powerful than personal experience."

Such feelings about the media are hardly exclusive to Hoosiers, however. "It is a lot tougher to manage in the public sector than it is in the private sector," forum keynote speaker and former Massachusetts governor and presidential candidate Michael S. Dukakis said. "The press is looking at you every day, and they *aren't* looking at you because they want to write puff pieces about you."

As if to underscore the point, in its front-page coverage of Dukakis's appearance in Indianapolis, the *Indianapolis News* rehashed the 1988 presidential race rather than cover his comments made before the forum.

Which is too bad, given that Dukakis made an eloquent appeal for pursuing substantive reform, using the Winter Commission report as the framework. "Now what is *Hard Truths/Tough Choices* all about? It's an attempt to focus, not on everything, but on some particular aspects of this whole business of trying to improve and strengthen public service. . . . It points out that there are many encouraging developments, but that we have a lot to do." And picking a section of the report clearly near to his experience, "It suggests that chief executives have to have the tools they need to do their job, and to be held accountable, so they get a fair measure of praise if they do well and there are no excuses if they don't."

STRONG EXECUTIVE LEADERSHIP: IS IT ANTI-DEMOCRATIC?

The role of the media and the issue of executive leadership are clearly related. Former governor Dukakis not only hit hard on the role of the media in governing, but also the effect of constant media coverage on an executive's ability to lead. While the Winter Commission recommendations avoided any suggestions to the media on what their role in governance should be, it did underscore how crucial it is that elected executives be given the authority they need to make changes. In fact, the recommendation that top-level elected executives be given the power to set policy and run their governments struck a deep chord at every one of the forums. If top elected officials are going to be held accountable for a government's performance, as Dukakis stated and as the Winter Commission argued, then they certainly ought to be given the authority that they need to lead that government and change it as they see fit.

But not everybody at the Indiana forum viewed the Winter Commission's recommendation to enhance executive leadership so favorably. Perhaps not surprisingly, it was a member of the legislative branch who voiced the deepest skepticism. "This is a recommendation to move toward an autocratic form of government," said Robert D. Garton, Indiana state senator pro tempore. "The Constitution was set up to dilute executive power, and for a good reason."

But if those reasons are good, they are sometimes lost on the elected chief executive who is trying to improve government performance. "The bureaucracy isn't very responsive to elected officials," said Fort Wayne Mayor Paul Helmke. "It resists change. . . . The bureaucrats say: 'We were here before you; we'll be here after you leave; we'll do things our way.'"

Helmke took his argument a step further, in fact: "There's a good argument to be made for the old patronage system. That's how you make [the bureaucracy] responsive. It has been our fear of politics that created the civil service system."

While debate over such fundamentals was a large part of the discussion in Indianapolis, participants did come up with a list of more concrete recommendations for how executive leadership's hand could be strengthened in much more down-to-earth and in some cases Indiana-specific ways. Among them: Continue to investigate the question of whether appointed boards and commissions are as accountable as elected officials, and whether or not some should be eliminated and their powers vested in the executive branch. Eliminate some elected offices and convert those positions to executive appointments. And combine the auditor and treasurer positions at the county level into one strong "chief fiscal officer."



Craig Brandon

"THE BUREAUCRACY ISN'T VERY responsive to elected officials. It resists change. . . . The bureaucrats say: 'We were here before you; we'll be here after you leave; we'll do things our way.' There's a good argument to be made for the old patronage system. That's how you make [the bureaucracy] responsive. It has been our fear of politics that created the civil service system."
FORT WAYNE MAYOR PAUL HELMKE

CITIZENS: PART OF THE PROBLEM OR PART OF THE SOLUTION?

Debates surrounding high-performance government can quickly get circular, and none is more classically circular than the one around citizen participation: An uninformed and apathetic citizenry has led to a deterioration in the quality of government; a government that performs poorly breeds citizen apathy. And so forth.

Public understanding of government is "painfully minimal," said Mutz, who is now a private sector executive. But rather than get caught up in a circular blame-game debate, Mutz argued for helping citizens find avenues for involvement, because even more serious than citizens' minimal understanding of government, he said, "is [citizens'] lack of knowledge about how to get involved in the process."



ILP/CI Photographs Services
of Integrated Technologies

FORMER INDIANA LIEUTENANT GOVERNOR AND
LEGISLATOR JOHN M. MUTZ

"How much does it cost us to pick up your leaves? Do you want us to continue to do that, or do you want more policemen?"

Bloomington Mayor
Tomilea Allison

An informed and involved citizenry obviously pays multiple benefits, forum participants argued: They can help government do more with less by picking up some of the workload, and they also begin to understand — and help make — the difficult decisions associated with governing. They understand, said Bloomington Mayor Tomilea Allison, such questions as: "How much does it cost us to pick up your leaves? Do you want us to continue to do that, or do you want more policemen?"

Forum participants had two basic suggestions for winning more citizen involvement in government. First, start treating citizens as "customers," proving to them that their tax dollars are well spent; second, offer local governments more authority. Local government, after all, is the level closest to citizens.

STATE "CREATURES" WANT SOME SAY

Localities have long been described as "creatures of the states." It isn't a description they have ever been very pleased with, but that seems to be particularly true in Indiana.

The state of Indiana does not traditionally offer localities the sort of autonomy and power that localities in so-called "home rule" states like New Jersey are accorded. That hamstrings them severely, some at the forum believed. "We need the introduction, passage and implementation of a strong home-rule law," reported facilitator James E. Kunde, executive director of the Coalition to Improve Management in State and Local Government, "in order to enable Indiana's individual communities to do what is appropriate for each of them in terms of structuring government practices."



Bloomington Mayor Tomilea Allison speaking to a working group.

IUPUI, Photographic Services of Integrated Technologies

Expressed very clearly at the forum is a growing concern among the state's local officials about local capacity, especially given the current devolution drive in Washington. If they're going to continue getting responsibility heaped on them, then they ought to be assigned some authority.

It is an especially interesting debate because it cuts both ways. At the New Jersey forum, participants found that too much local authority and autonomy got in the way of regional cooperation, yet in Indiana, participants saw stronger local capacity as an incentive for newly empowered local governments to work together.

Indiana may get to field-test its theory. Forum participants say they plan to press the home rule issue (the full final forum report will be forwarded to legislative leaders when they reconvene). And in the wake of the forum, the legislature did finally establish a state Advisory Commission on Intergovernmental Relations (ACIR), which could help pave the home rule path, as well as provide a forum for tackling a host of other burgeoning intergovernmental issues. "We don't want it to be an organization that just grinds out academic reports," said John Krauss, senior fellow and associate director of the Center for Urban Policy and Environment, which will be home to the new Indiana ACIR, "but a place where we can regularly convene for the sort of discussion we had during the Winter Commission forum."



IUPUI Photographic Services of
Integrated Technologies

FORMER MASSACHUSETTS GOVERNOR Michael S. Dukakis, Michael Quinn, executive director of the Indiana Association of Cities and Towns, and John Krauss, of the Center for Urban Policy and the Environment.

ENHANCING CAREER DEVELOPMENT OPPORTUNITIES FOR ILLINOIS STATE EMPLOYEES BLOOMINGDALE, ILLINOIS, DECEMBER 7-8, 1994

One of the chief inspirations for the formation of the Winter Commission was that, in this day and age, state and local government can't afford a second-class workforce or obsolete management practices. The job of governing has become too complicated, and too much is at stake.

Given the complicated and burgeoning problems and responsibilities that state and local governments are expected to handle — responsibilities that stand to grow because of Washington, D.C.'s, current drive toward devolution — both front-line staff and management had better be ready to perform, and to perform cooperatively.

And so it was entirely appropriate that one forum in the challenge grant series be given over virtually entirely to two of the most basic workforce issues there are: training and labor-management relations. More than 80 participants, including union leaders, state administrators, private sector executives, members of Governor Jim Edgar's Human Resources Advisory Council, and academic leaders from around the state, gathered in the Chicago suburb of Bloomington to develop a blueprint for action in training and development, with a strong emphasis on improving labor and management cooperation.

Four forum work groups were convened, each assigned the task of recommending action in training for entry-level employees; career development and enhancement; restructuring the roles of managers and front-line employees; and finding the resources and encouraging the partnerships necessary to achieve higher levels of training in state government.

Sponsors

The Institute for Public Affairs at Sangamon State University, Lieutenant Governor Bob Kustra, and the Central Illinois Chapter of the American Society for Public Administration. Cosponsored by the Illinois Department of Central Management Services; Government Assistance Project; Council 31 of the American Federation of State, County and Municipal Employees; the Division of Public Administration at Northern Illinois University; the Institute for Metropolitan Affairs at Roosevelt University; the Graduate Program in Public Administration at the University of Illinois, Chicago; and the Illinois Chamber of Commerce.

TRAINING BUDGETS: IS IT THAT GOVERNMENT DOESN'T GET IT, OR THAT GOVERNMENT DOESN'T HAVE IT?

One of the more simplistic suggestions that continually surfaces on the government reform front has always been: "Why not run government more like a business?" The question, of course, ignores the deep and fundamental differences between the two sectors, but if business does have any applicable lesson to offer government officials, it is probably that training pays off.

"THE COMMON THEME IN UNSUCCESSFUL PROJECTS AND SUCCESSFUL PROJECTS IS THAT IF WE COULD HAVE CHANGED ONE THING, WE WOULD HAVE ALLOCATED MORE RESOURCES TO EDUCATION. SO I ENCOURAGE YOU TO LEARN FROM IBM AND OTHERS, AND ENSURE A ROBUST TRAINING PROGRAM AS PART OF EACH OF YOUR REINVENTION AND TRANSFORMATION EFFORTS."
IBM EXECUTIVE DAVE MILLER

While the exact numbers are hard to calculate, it is clear that Fortune 500 companies spend considerably larger percentages of operating budgets on training than do governments. In fact, some report such business investment at as high as six percent, while governments invest on the order of one and one-half percent. Yet the *Hard Truths/Tough Choices* recommendation that governments should try to allocate at least three percent of personnel costs to training is probably the one recommendation that has been most frequently singled out as unrealistic. In tough times, governments invariably do the same counterintuitive thing — slash training budgets.

"The common theme in unsuccessful projects and successful projects is that if we could have changed one thing, we would have allocated more resources to education," IBM executive Dave Miller told forum participants. "So I encourage you to learn from IBM and others, and ensure a robust training program as part of each of your reinvention and transformation efforts."

Easy to say, not easy for government to do.

States with high revenue growth are the same states that tend to be out in front on training, noted Elizabeth L. Hollander, a member of the Winter Commission and also president of the Government Assistance Project, a Chicago-based not-for-profit advocate group that works with governments to help them innovate. "This may be problematic for Illinois," Hollander said, but added that plenty of strategies exist for establishing training programs in tough budget times.

Indeed, a number of those strategies were explored by the panels devoted to "career development" and "finding training resources." Some of those ideas included amending the State Finance Act to allow agencies more flexibility in allocating budgets to training if they so choose; creating a statewide electronic bulletin board of state-offered



Elizabeth L. Hollander, Commission member and president of the Government Assistance Project.

Jon Rasmussen



MINNESOTA HUMAN RESOURCES MANAGER JACKIE LIND. TO THE IMMEDIATE LEFT, BART WECHSLER, OF THE UNIVERSITY OF ILLINOIS INSTITUTE OF GOVERNMENT AND PUBLIC AFFAIRS.

training courses; more consistent tuition reimbursement policies across agencies; and closer working relationships with state higher education institutions in providing training for state employees.

Getting legislatures — or even the executive branch, for that matter — to focus on training has never been an easy thing to do, however. If elected officials don't see the value of boosting training, one forum participant had a suggestion: prove its value to them.

In Minnesota, the Department of Employee Relations persuaded the legislature to allocate \$200,000 for targeted retraining of staff who were at risk of being laid off. The goal of the program was twofold, Minnesota Human Resources Manager Jackie Lind told forum participants: to prove to elected officials that it costs less to retrain and retain state employees than to lay them off, and to identify the best training practices. Using the money, a joint labor-management committee set up a competitive grant process, which divided the \$200,000 among eight departments. The results will be used to make the case for funding more training and also to identify some of the more effective training methods that governments can use.

Because of government's reluctance to fund training, some public sector players have taken the responsibility on themselves. The American Federation of State, County and Municipal Employees midwestern regional office offers an ambitious training program — even for some managers — on a host of issues, from working with hazardous materials to library sciences. According to Dan Fitzsimmons, field education coordinator for the federation's Midwest Office, "We're getting a greater demand for training from our members, probably because politicians are so reluctant to fund training."

LABOR VERSUS MANAGEMENT: GETTING PAST THE SHOVING MATCH

All the training in the world is not likely to improve government performance in a setting where labor and management continue to expend vast amounts of energy and time fighting, however. In fact, there is no better-established — or more broadly discussed — management tenet in the private or public sector today than that labor and management have to work together if an organization is going to achieve anything approaching high performance. Yet at the same time, there is no more stubbornly ignored management tenet than that labor and management need to work together.

Despite that, one of the more encouraging revelations that continually reemerged at virtually every one of the Winter Commission challenge grant forums is that the public sector is finally getting that message. While labor and management relations are hardly rosy, pockets of closer cooperation are emerging nationwide. A number of states and localities — even states and localities that have traditionally hosted fierce collective bargaining battles — have managed to evolve beyond what the public too often sees as a high-profile, highly unproductive playground shoving match between labor and management. And in some very unlikely places.

One of those places is Ohio, which has emerged as a — if not *the* — *national* model for public sector labor-management cooperation. In explaining to forum participants what kept labor and management apart for so long in Ohio, executive director of the Ohio Civil Service Employees Association (OCSEA) Paul Goldberg covered a lot of familiar territory: government-bashing politicians, scapegoated, de-



Paul Goldberg, executive director of the Ohio Civil Service Employees Association (left), and Steve Wall, director of Ohio's Office of Quality Service.

Jon Randolph

moralized public-sector employees, inaccessible upper-level management, lack of trust, failure to value front-line experience and knowledge, and so forth.

Two things spurred change in Ohio, said Goldberg: fiscal crisis and an invitation to Goldberg from Republican Governor George Voinovich (whom public sector labor unions had opposed in the election) to go on a management retreat with him. From there, the two began to cooperate closely on a total quality management initiative that included an interesting twist. The program was written into the last statewide collective bargaining agreement, with a promise from management — and a direct promise from Governor Voinovich — that TQM would not be used to cut jobs.

That, said Goldberg, was key to getting the rank and file on board.

Talk Is Progress

Ohio is way ahead of the game, and it is impossible to argue that the visionary leadership of two individuals — Governor Voinovich and OCSEA executive director Paul Goldberg — hasn't been critical to that progress. To duplicate the cooperative effort made there would, in part, require duplicating them.

Can it happen in Illinois? Reviews at the forum were decidedly mixed. Goldberg pointed out that the insistence on the part of Governor Edgar's administration that "pay-for-performance" plans



Jon Randolph
Working group members.

be implemented statewide was contrary to the concept of "team rewards" and "gainsharing" advocated by both the Winter Commission and total quality management proponents. Such individual reward systems, Goldberg argued, were more a source of resentment than inspiration. At the same time, however, participants noted that labor needs to question some of its views on work rules and work assignments if it wants to achieve greater partnership with government.

Illinois is certainly not alone in its current testy labor-versus-management situation. With the proliferation of fiscally conservative governors in collective bargaining states, from California to New York, labor relations have, if anything, soured over the past few years. And none of this is easy, even in the best of situations and fiscal times, noted Steve Wall, director of Ohio's Office of Quality Service. Wall followed up Goldberg's presentation with a list of the things that labor and management cooperative efforts had helped achieve there, from faster, smarter government service to a motivated workforce. "But I will tell you right off the bat, this new partnership we are trying to forge is hard. It feels awkward and uncomfortable."

The mere fact that so many interested officials in Illinois gathered to hash these issues out is encouraging, however. And a huge amount of positive groundwork for progress was set out in the forum's final conference report. Some of the report's overarching recommendations include:

- Winning explicit commitments from the governor and legislature to building a high-performance state workforce;
- Formalizing a statewide quality initiative; establishing an ongoing task group to advocate for action toward high-performance government; and
- Developing a state training coordinating council.

Now politics, personalities and reality take over. As Ohio has proved, natural enemies can indeed work together, and old patterns of behavior can be broken. Forum coordinators plan to reconvene in 1995 to assess progress on the work groups' recommendations.

DEVELOPING TEXAS STATE AND LOCAL PARTNERSHIPS FOR THE PUBLIC'S HEALTH

AUSTIN, TEXAS, DECEMBER 12-13, 1994

Unlike the other six challenge grant forums, the Austin, Texas, forum was convened to look very specifically at one issue in one place: the delivery of public health services. But it tested a key Winter Commission proposition that program and policy coordination among jurisdictions is vital to performance. And the meeting also tested another: that bringing key officials from various levels of government together in a collaborative problem-solving setting would set the stage for improving performance.

And so 22 participants, hand picked for their roles in the public health policy field — including legislators, State Health Commissioner Dr. David Smith, top local health officials, as well as a number of outside health policy analysts and experts — gathered in Austin to discuss Texas's performance in the whole area of public health, from immunization to public information to food safety. Also on the table was how to handle government's burgeoning role in actually delivering medical services, not traditionally considered a part of public health.

While participants were on hand to discuss a wide range of issues, Texas faces one general problem: Some localities have health departments; others don't. In those that do not, the state often tries to fill the gap. In that environment, noted Michael S. Sparer, professor at the Columbia University School of Public Health and senior advisor for the Winter Commission's companion report on health care, "the division of labor is especially unclear."

And so the basic goal of the forum was to allow a broad intergovernmental discussion of how the state and localities might work more closely together to make what is now an ad hoc partnership work in a more systematic, coordinated way.

Sponsors

*The Lyndon B. Johnson (LBJ)
School of Public Affairs at the
University of Texas at Austin in
collaboration with the Texas De-
partment of Health.*

Public Health: High Cost Either Way

No issue cuts to the heart of the service-versus-cost balancing act in which government is perpetually engaged than public health. As the state and local government role in health care has expanded (driven

by federal programs, as well as by crises and constituent demand), two unavoidable truths have emerged: Ignoring public health issues can be a very expensive proposition for government; tending to public health issues can be a very expensive proposition for government.

That is why the tenth recommendation in *Hard Truths/Tough Choices* was that the country deal with its health care funding crisis, a crisis that has seen governmental costs exploding at double-digit annual rates, as Medicaid costs at the state and federal level emerge as the preeminent budget drivers, eating up an increasing percentage of overall budgets in the process. And as costs soar, overburdened private and not-for-profit local health care delivery systems have been loading increasing amounts of direct health care responsibilities onto public health agencies. The whole system is now starting to show deepening cracks in both structure and fiscal health.

The Austin forum's aim was to begin investigating ways that the state and its cities and counties could work more closely together on a more uniform and efficient public health care system, which, as Health Commissioner Smith noted, is much broader than just medicine, but covers "everything from Moms to milk, including midwives, measles and massage."

However complicated and expensive it has become for governments to provide public health care services, it has become even more so in Texas. "Public health services in Texas are delivered on an ad hoc basis," said David Warner, professor of public affairs at the LBJ School. Some cities and counties have health departments; others don't. Some local jurisdictions have banded together to handle public

TEXAS Health Commissioner Dr. David Smith addressing forum participants.



Merna de la Luz Marmore

health; others haven't. Meanwhile, there are no state-mandated minimum requirements for service delivery.

For Texas — and other states that have extensive networks of publicly run local facilities — the efficiency and cost-cutting drive is a two-edged sword. Like many other states, Texas has been turning toward managed care delivery systems to begin controlling costs. But the use of health maintenance organizations poses a dilemma for local governments that provide, and are reimbursed for, direct services. While it may be more efficient, it threatens the revenues of local health departments, which have become dependent on state/federal reimbursements for Medicaid clients.

Texas, though, is going to have to deal with even a more fundamental issue than that: It has to begin working out some division of labor between states and localities. As Warner pointed out, there is no formal structure, no formal assignment of responsibilities, and no formal relationship or coordination between state and local governments in providing public health services.

STEPS TOWARD A NEW SYSTEM

So the Austin forum found itself tackling a very specific but very big job. Toward that end, forum participants split into two teams, one to come up with short-term plans for action and the other long-term plans.

Short-term strategies included:

- The Texas Department of Health will send its 1995 legislative agenda to all local public health departments to keep them apprised of legislative activity on the public health care front, along with information on how to access legislative information on the Internet, so that localities can provide timely input into legislative deliberations.
- Organizing regional meetings of public health care officials to continue and focus the discussion of state-local public health service delivery.

The long-term strategies team has proposed to:

- Identify others who should be included in the whole discussion of improving public health delivery, including officials from the Texas Department of Health and the Texas Department of Human Services, the goal being a

standing and broad-based task force of decision makers to continue addressing the public health issue.

- Prepare a white paper on the need for better definition of Texas public health service delivery, and what should be expected of it.

Substance versus process

Not surprisingly, the officials in Austin were more interested in the substance of the discussion — how to develop a better public health system — than the process that Austin represented — intense collaborative problem-solving. Participants agreed, however, that getting key players in one room for two days to investigate these issues was very worthwhile. And they committed themselves to the post-forum work needed to implement both the short and long-term strategies.

In fact, a key first step in one of the forum's long-term strategies has already been taken. A resolution was introduced into and passed by the state legislature setting up a task force to pursue a more formal study of the role of local governments in providing public health services in Texas.

Conclusion

No single report or even group of reports on government reform or innovation is going to change overnight how governments operate. Governments have long been reinventing themselves, as old systems and processes prove inadequate to new challenges and responsibilities. These changes have always come at varying rates of speed, inspired by a broad variety of factors. But *Hard Truths/Tough Choices* clearly arrived at a propitious time. With both the Congress and the President moving toward significantly increased reliance on states and localities for delivering key government services — in particular, through proposed wide-scale block granting of federal programs — the issue of increased state and local capacity is critical. In fact, states and localities could find huge new responsibilities heaped on them in the next two years. The time to start preparing for that possibility is now.

It is hoped that *Hard Truths/Tough Choices* will continue to stimulate the sort of vital discussion and work that is required for states and localities to meet the challenge of that significantly increased responsibility. And it is hoped that this report on the seven state challenge grant forums will offer states and localities an even more specific roadmap for taking those important first steps toward achieving higher performance government.

PATHS TO PERFORMANCE

A SEVEN STATE FOCUS

State Challenge Grant Conferences
on Strategies for Change



**The National Commission
on the State and Local Public Service**

**The Nelson A. Rockefeller
Institute of Government**

State University of New York
411 State Street
Albany, New York 12203-1003
(518) 443-5522
(518) 443-5788 Fax

Non-Profit Org.
US Postage
PAID
Albany, NY
Permit No. 21